

Hollywood Property
Owners Alliance

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Jose Malagon
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Hollywood Media
Center

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NBK, LLC

Frank Stephan
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MTA

Michael Gurguno
Argent Ventures, LLC

William Hertz
Mann Theatres

Ron Radachy
Oasis of Hollywood

Hilary Royce
Church of Scientology
International

Alan Sieroty
Sieroty Company

Tej Soodher
Hollywood Guinness
Museum

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May 23, 2008

TO: Holly Wolcott
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Property Owners Alliance

SUBJECT: First Quarter
January 1, 2008 through March 31, 2008

As is required in our Agreement with the City of Los Angeles, I am submitting our First Quarter Report to summarize key activities of the Hollywood Entertainment District. In addition, attached to this memo is the quarterly financial report.

I. Operational Issues

- A Finance Committee of the board was named, consisting of the Treasurer, Frank Stephan, and board members Monica Yamada and Chris Bonbright. Two meetings were held during this first quarter.
- Morrison began to research the possibility of initiating an employee-contribution 401(k) plan for the HPOA staff.
- Because the staff, working for the Hollywood Property Owners Alliance, split their time between the two BID contracts (26 percent Sunset and 74 percent Hollywood), the Finance Committee asked that the staff conduct time tracking surveys in February, May, September and November in order to ensure that the time spent in staff work is properly apportioned.
- The Board approved the 2008 Planning Report at the February 21, 2008 meeting.

II Security

- Noise complaints have become a key topic at this year's Security Committee meeting. The issues arise predominantly in the first block where residents have moved in next door to an existing nightclub (the NE corner of Hollywood and Vine). The Committee has begun to arm

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itself with an understanding of the city's noise law, and the various enforcement mechanisms that exist (which appear to be rather slim).

- In preparation for a special Business Roundtable Meeting, slated for April 30, in which the federal homeless czar was invited to address business leaders, the HPOA staff facilitated a series of planning meetings with representatives from the United Way, the council office, supervisor's office, mayor's office, and local social service providers.
- One key aspect of the Business Roundtable preparations involved a coalition effort to conduct a one-night "snapshot count" of homeless people sleeping in a five-mile area in the core part of Hollywood. The count was conducted between 11 p.m. and 4 a.m. March 25/26 and involved approximately 65 volunteers and the Los Angeles Police Department. The count revealed 384 street homeless, and 88 vehicles and 31 encampments. Further, in anticipation of conducting a more in-depth "registry count" of homeless people in Hollywood, the Board approved a \$1,500 contribution toward that process, at their February meeting. PATH will be coordinating this effort.
- The Security Committee has also been addressing issues related to a prominent feeding program which has been feeding homeless people in the BID since April of 2007. Morrison has been participating in meeting of all the feeding programs in Hollywood (there are 8) and the first meeting was held at the Chamber on May 25, 2008.
- The Board approved a change order to the Andrews International Contract at their January meeting. The budget for the Hollywood security program was increased to \$1,260,000.
- Chris Bonbright and John Tronson met with the BID security officers at their roll call in March to compliment them for the professionalism and productivity.
- Staff began working with the council office and community representatives in preparation for a family-friendly celebration at Selma Park in May, to commemorate its designation as a children-only play park.

III Streetscape Issues

- On February 5, 2008, HED staff orchestrated the removal of a dead Canary Island Date Palm near the intersection of Hollywood and Highland. The tree removal, which required a partial street closure of Hollywood Boulevard, took nearly one dozen workers five hours to complete. The costs of the removal, and the ultimate replacement of a

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healthy date palm will be borne by CBS Outdoor, who illegally trimmed the tree shortly after it was planted approximately four years ago.

- In January, the Streetscape Committee met with the city and representatives from Viacom Decaux on the prospect of siting a public toilet in the BID. This was followed by a walking tour of the BID on February 15 to look at potential locations.
- On March 7, the Streetscape Committee participated in a "side and back streets" walk to identify potential locations for the planting of shade trees. Money has been earmarked from the HED Special Projects Account to accomplish this task. The committee identified approximately 41 locations to plant trees.
- Morrison reported in February about meetings held at the Chamber relative to the anticipated \$4.3M repair necessary to refurbish the Walk of Fame. At this time, there is no role for the HED to play in this effort.
- Rather than embark upon tree trimming in March with the customary vendor, due to an increase in the cost, staff decided to seek competitive bids for the tree trimming and delay implementation for at least a month.

IV Marketing Issues

- The www.hollywoodbid.org website was updated and unveiled to the board at their January meeting.
- Staff is working with their sister BID, the Sunset & Vine BID, and the council office, to lure Fashion Week, currently held in Culver City, to Hollywood. Downtown Los Angeles is also competing for this event.

V. BID RENEWAL

- The BID Renewal documents were submitted to the City Clerk's office in March.
- Because the BID Renewal Steering Committee was contemplating the creation of an alley district in the new BID, staff organized a field trip to the Old Pasadena BID on January 16 to see, first hand, that BID's alley system. Property owners met with representatives from the Old Pasadena BID and the city to learn how the alley system was created, how it is maintained, and what the practical benefits are, from the

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perspective of property and business owners. With support for the concept of a Alley zone with its own assessment, the Board approved a \$3,500 agreement with Muni Financial to complete the necessary property research to identify all properties adjacent to public alleys, private alleys and private easements.

- In February, Muni Financial initiated negotiations with the HPOA because the original \$17,000 contract amount, estimated for the technical support associated with BID renewal, had proved to be inadequate. Muni presented a proposal that almost doubled the cost, given the complexity of several tasks encountered over the past several months: measuring for the assessment of all street frontage and assigning specific zones to each side of a property; adjusting the formula amounts to correspond with the zones of benefit; and reassigning all zones. Tronson and Morrison negotiated with Muni to bring that rate down, whereby both organizations shared in the increased cost, except on those tasks that were not originally contemplated when the agreement was forged in the summer of 2007. From March 1 on, Muni will bill on a time and materials basis.

VI. OTHER

- Morrison has been participating in a Parking Task Force, convened by Council District 13 since last year. Two of the most imminent proposals to be shepherded involve: (1) the concept of consolidating all valet parking operations in the district, with the city issuing one Request for Proposal to achieve this; and, (2) the creation of a "Hail a Taxi" task force seeking a demonstration project, in concert with downtown Los Angeles, whereby patrons would be able to hail a cab in Hollywood and Los Angeles, and the cabs would be free to pick up and drop off curbside without ticketing.

Hollywood Property Owners Alliance

Annual Limits & Year-To-Date Totals Quarter Ending March 31, 2008

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT SPENT 1st QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	2,433,535	1,171,256	-	-	-	
City Fees	25,200		25,362	25,362	-	
Contingency	36,000		16,855	16,855	19,145	
Administration	155,904		33,488	33,488	122,416	
Security	1,260,000		217,862	217,862	1,042,138	
Maintenance	704,950		141,020	141,020	563,930	
Personnel	304,296		77,930	77,930	226,366	
ED&C/Marketing	96,000		9,153	9,153	86,847	
TOTAL	2,582,350	1,171,256	521,670	521,670	2,041,697	

Other income (not included above):

DWP Grant

Penalty

Interest-LA City

Interest-other

Total other income 1st Quarter 2008

3,693.00

3,693.00